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LOWER CAMERON AMBULANCE SERVICE DISTRICT  
FINANCIAL REPORT  
OCTOBER 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/7/03

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance sheets	2
Statements of operations	3
Statements of changes in fund balance	4
Statements of cash flows	5
Notes to financial statements	6-9
INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION	10
SUPPLEMENTARY INFORMATION	
Schedules of net patient service revenue	11
Schedules of board fees	12
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	13 and 14
Schedule of findings and questioned costs	15 and 16
Schedule of prior year findings	17 - 19



# BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana

We have audited the accompanying general purpose financial statements of Lower Cameron Ambulance Service District as of October 31, 2002 and 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lower Cameron Ambulance Service District as of October 31, 2002 and 2001, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 20, 2003, on our consideration of Lower Cameron Ambulance Service District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Broussard, Poche, Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
March 20, 2003

LOWER CAMERON AMBULANCE SERVICE DISTRICT

BALANCE SHEETS  
October 31, 2002 and 2001

	2002	2001
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 825,370	\$ 379,925
Certificates of deposits	100,000	-
Patient accounts receivable, net of allowance for estimated uncollectible accounts of \$112,474 and \$35,446, respectively	44,145	34,246
Other receivables	922	-
Prepaid expenses	3,042	3,226
Inventories	18,105	14,092
<b>Total current assets</b>	<b>\$ 991,584</b>	<b>\$ 431,489</b>
<b>FIXED ASSETS</b>		
Property, plant and equipment, at cost, less accumulated depreciation of \$99,375 and \$260,514, respectively	227,736	171,135
<b>Total assets</b>	<b>\$ 1,219,320</b>	<b>\$ 602,624</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,105	\$ 8,780
Accrued liabilities	25,517	15,874
<b>Total current liabilities</b>	<b>\$ 30,622</b>	<b>\$ 24,654</b>
<b>FUND BALANCE</b>	<b>1,188,698</b>	<b>577,970</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,219,320</b>	<b>\$ 602,624</b>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF OPERATIONS  
Years Ended October 31, 2002 and 2001

	2002	2001
Revenues:		
Net patient service revenue	\$ 238,302	\$ 150,318
Ad valorem taxes	1,147,080	854,671
Other revenues	132	-
Total revenues	\$ 1,385,514	\$ 1,004,989
Expenses:		
Salaries & FICA	\$ 426,356	\$ 261,803
Depreciation expense	63,567	34,639
Dispatch services	16,701	14,300
Education and travel	5,843	4,596
Election expense	-	1,731
Employee benefits	45,162	24,475
Fuel expense	5,465	3,795
Insurance expense	50,034	37,875
Interest expense	229	-
Medical director	12,000	12,000
Professional fees	6,760	2,962
Provision for uncollectible accounts	93,959	35,446
Rent	7,600	6,000
Repairs & maintenance	11,980	9,867
Supplies	30,487	19,523
Telephone	6,945	6,312
Utilities	6,850	4,888
Other expenses	6,272	5,181
Total expenses	\$ 796,210	\$ 485,393
Operating income	\$ 589,304	\$ 519,596
Nonoperating income:		
Interest income	\$ 19,694	\$ 15,588
Gain on sale of fixed assets	1,730	-
Transfer of fixed assets from the Lower Cameron Hospital Service District	-	27,687
Transfer of assets from management company	-	15,099
Total nonoperating income	\$ 21,424	\$ 58,374
Excess of revenues over expenses	\$ 610,728	\$ 577,970

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF CHANGES IN FUND BALANCE  
Years Ended October 31, 2002 and 2001

	2002	2001
Unrestricted fund balance:		
Fund balance, beginning	\$ 577,970	\$ -
Excess of revenues over expenses	610,728	577,970
Fund balance, ending	<u>\$ 1,188,698</u>	<u>\$ 577,970</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF CASH FLOWS  
Years Ended October 31, 2002 and 2001

	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$ 589,304	\$ 519,596
Ad valorem taxes considered financing activity	(1,147,080)	(854,671)
Adjustment to reconcile operating income to net cash used in operating activities:		
Depreciation	63,567	34,639
Provision for uncollectible accounts	93,959	35,446
(Increase) decrease in assets:		
Patient accounts receivable	(103,858)	(69,692)
Prepaid expense	184	(3,226)
Inventories	(4,013)	1,008
Other receivables	(922)	-
Increase in liabilities:		
Accounts payable	(3,675)	8,780
Accrued expenses	9,643	15,874
Net cash used in operating activities	\$ (502,891)	\$ (312,246)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Ad valorem taxes	\$ 1,147,080	\$ 854,671
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Payments for the purchase of equipment	\$ (120,168)	\$ (178,088)
Proceeds from the sale of property and equipment	1,730	-
Net cash used by capital and financing activities	\$ (118,438)	\$ (178,088)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	\$ 19,694	\$ 15,588
Purchase of certificates of deposit	(100,000)	-
Net cash (used) provided by investing activities	\$ (80,306)	\$ 15,588
Net increase in cash and cash equivalents	\$ 445,445	\$ 379,925
Cash and cash equivalents, beginning of year	379,925	-
Cash and cash equivalents, end of year	\$ 825,370	\$ 379,925
<b>SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES</b>		
Transfer of fixed assets from the Hospital Service District	\$ -	\$ 27,687
Disposal of fully depreciated equipment	\$ 224,707	\$ -

See Notes to Financial Statements.

## LOWER CAMERON AMBULANCE SERVICE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Ambulance Service District's significant accounting policies:

##### Organization:

Lower Cameron Ambulance District was established by the Cameron Parish Policy Jury, by virtue of the authority of R.S. 33:9053, et, seq. The purpose of the Ambulance District is to provide ambulance services to Lower Cameron Parish. The board is appointed by the Cameron Parish Police Jury.

For reporting purposes, the Ambulance District is not considered a component unit of the Cameron Parish Police Jury, due to the fact that they do not meet the established criteria as provided in GASB Statement No. 14, *The Financial Reporting Entity*. These criteria include financial accountability by the Police Jury or the ability to impose their will on the Ambulance District by significantly influencing the programs, projects, activities, or level of services provided by the Ambulance District, and the existence of a financial benefit or burden. The more significant policies of the Ambulance District are described below:

##### Operation and Management:

In 1988, the Ambulance District entered into an intergovernmental agency agreement with the Lower Cameron Hospital Service District, whereby, the Hospital District assumed operations and management of the Ambulance District. On February 2, 2000, the Hospital District's Board adopted a resolution to terminate the intergovernmental agency agreement with the Ambulance District until December 1, 2000. This outside management company absorbed all patient revenue and all operating expenses of the Ambulance District for this period.

On December 1, 2000, the Cameron Parish Ambulance District #2 and the Lower Cameron Ambulance Service District entered into an Intergovernmental Cooperative Agreement, whereby both Districts operated various administrative functions together. The term of the agreement was December 1, 2000 to December 1, 2001. On December 1, 2001, the Cameron Parish Ambulance District #2, did not renew the Intergovernmental Cooperative Agreement with the Lower Cameron Ambulance District

##### Method of Accounting:

The Ambulance District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

##### Accounting Standards

Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Ambulance District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.



## LOWER CAMERON AMBULANCE SERVICE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### Net patient revenue:

Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

#### Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

#### Property, plant, and equipment:

Property, plant, and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	5 – 10 years
Equipment	5 – 10 years

#### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Allowance for uncollectible accounts:

The Ambulance District uses the allowance method of recognizing the cost for bad debts. This method provides an estimate of the loss that is applicable to current year revenue, and any adjustment in previous estimates of prior year losses that may be applicable to accounts still remaining on the Ambulance District's general ledger.

#### Cash and cash equivalents:

For purposes of the statement of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

#### Income taxes:

The Ambulance District is a political subdivision and exempt from taxes.

## LOWER CAMERON AMBULANCE SERVICE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### Environmental Matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At October 31, 2002, management is not aware of any liability resulting from environmental matters.

#### Reclassifications:

To be consistent with current year classifications, some items from the previous year have been reclassified with no effect on operating income.

#### Note 2. Net Patient Service Revenues

The Ambulance District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- Medicare* -- Covered ambulance services are paid based on a fee schedule.
- Medicaid* -- Covered ambulance services are paid based on a fee schedule.

During the years ended October 31, 2002 and 2001, approximately 30% and 21% respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip, discounts on charges, and prospectively determined rates.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

#### Note 3. Bank Deposits

Cash and cash equivalents as of October 31, 2002, include demand deposits of \$625,370 and certificates of deposit of \$200,000. At October 31, 2002, the carrying value of the Ambulance District's cash deposits, including demand deposits and certificates of deposit, totaled \$926,327, and the bank balances totaled \$925,945. Of the balance, \$200,000, was covered by Federal Deposit Insurance Corporation (FDIC) coverage and \$796,902, was covered by collateral held by collateral held by the custodial bank in the bank's name (category III).

# LOWER CAMERON AMBULANCE SERVICE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Property, Plant, and Equipment

A summary of property, plant, and equipment is as follows:

	<u>2002</u>	<u>2001</u>
Equipment	\$ 48,061	\$ 30,006
Office equipment	16,622	9,736
Building improvements	5,799	-
Ambulances	<u>256,629</u>	<u>391,907</u>
Total property, plant and equipment	\$ 327,111	\$ 431,649
Less: accumulated depreciation	<u>(99,375)</u>	<u>(260,514)</u>
Net property, plant and equipment	<u>\$ 227,736</u>	<u>\$ 171,135</u>

Depreciation expense for the years ended October 31, 2002 and 2001 amounted to \$63,567 and \$34,639 respectively.

### Note 5. Ad Valorem Taxes

The Ambulance District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, and become a lien in the following March. The collection period for the Ambulance District's property taxes is from December (at which time they become delinquent) to the succeeding May.

Pursuant to Act No. 1140 of the 2001 Regular Legislative Session, protested ad valorem tax receipts are no longer segregated and held pending the outcome of the protest lawsuit. Instead, these payments are remitted to the Ambulance District. If the taxpayer successfully wins the protest lawsuit, the Ambulance District is liable to pay the taxpayer the protested tax amount plus interest. At December 31, 2002, the amount of protested ad valorem taxes paid, pending the outcome of protest lawsuits is \$118,315.

### Note 6. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at October 31, 2002 and 2001, was as follows:

	<u>2002</u>	<u>2001</u>
Medicare	35 %	21 %
Medicaid	13 %	10 %
Other third-party payors/patients	<u>52 %</u>	<u>69 %</u>
	<u>100 %</u>	<u>100 %</u>

### Note 7. Compensated Absences

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at October 31, 2002 and 2001 totaled \$6,404 and \$5,922, respectively.

### Note 8. Subsequent Event

On October 21, 2002, the Ambulance District's Board approved the purchase of an ambulance at a cost of \$89,429. The ambulance was purchased on December 20, 2002.



## BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

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### INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana

Our audit was made for the purpose of forming an opinion on general purpose financial statements of Lower Cameron Ambulance Service District taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Lower Cameron Ambulance Service District. This supplementary information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the respective general purpose financial statements taken as a whole.

*Broussard, Poche, Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
March 20, 2003

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULES OF NET PATIENT SERVICE REVENUES  
Years Ended October 31, 2002 and 2001

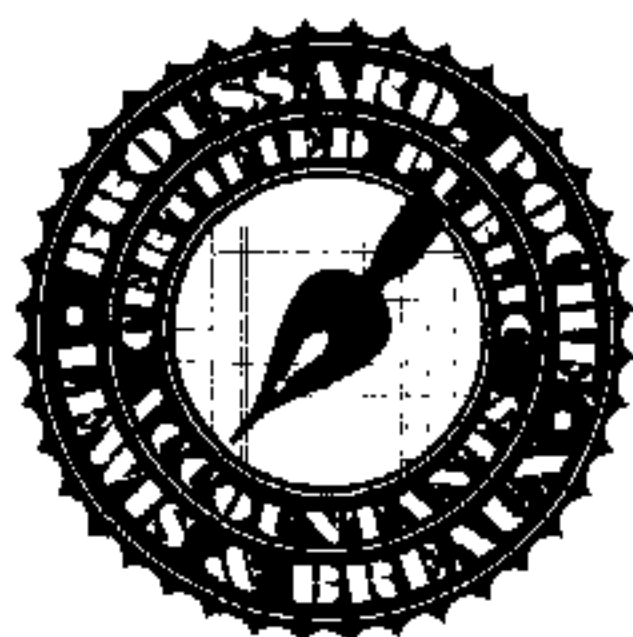
	2002	2001
	<u>                    </u>	<u>                    </u>
Gross patient service revenue	\$ 445,981	\$ 257,175
Less:		
Medicare and Medicaid contractual adjustments	(99,587)	(46,503)
Parish resident discounts	(98,742)	(49,753)
Insurance and other discounts	(9,350)	(10,601)
	<u>                    </u>	<u>                    </u>
Net patient service revenue	<u>\$ 238,302</u>	<u>\$ 150,318</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF BOARD FEES  
Years Ended October 31, 2002 and 2001

Board Members

The Ambulance District's board members did not receive any compensation during the years ending October 31, 2002 and 2001.



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### REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Lower Cameron Ambulance Service District  
Creole, Louisiana

We have audited the general purpose financial statements of the Lower Cameron Ambulance Service District as of and for the year ended October 31, 2002, and have issued our report thereon dated March 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Lower Cameron Ambulance Service District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as items 2001-1 and 2001-4.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lower Cameron Ambulance Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Lower Cameron Ambulance Service District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2001-2, 2001-3 and 2001-5.



To the Board of Commissioners  
Lower Cameron Ambulance Service District

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2002-1, 2002-2, and 2002-3 to be material weaknesses. We also noted other matters involving internal control over financial reporting that we have reported to management of the Lower Cameron Ambulance Service District, in a separate letter dated March 20, 2003.

This report is intended solely for the information and use of management, others within the Ambulance District, federal award agencies, pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Poche, Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
March 20, 2003



LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended October 31, 2002

We have audited the general purpose financial statements of Lower Cameron Ambulance Service District as of and for the year ended October 31, 2002, and have issued our report thereon dated March 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of October 31, 2003, resulted in an unqualified opinion.

**Section I. Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☒ Yes ☐ No Reportable Conditions ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards

The Ambulance District does not have any Federal awards.

**Section II. Financial Statement Findings**

2002-1 Investment in variable annuity

Finding: We noted, during the audited year, that the Ambulance District invested monies in a variable annuity which is not an allowable investment under R.S. 33:2955.

Recommendation: We recommend that the Ambulance District investment its monies in securities covered under R.S. 33:2955.

Response: The Ambulance District has withdrawn its monies from the variable annuity and has deposited the monies into investments covered under R.S. 33:2955. In the future, the Ambulance District will deposit funds into obligations allowed under R.S. 33:2955.

2002-2 Monthly reconciliation of bank statements

Finding: In the course of our audit, we noted that bank statements were not being reconciled to the general ledger.

Recommendation: We recommend that bank statements be reconciled to the general ledger on a monthly basis in order to detect differences between the general ledger and the bank statement. It is also recommended that the bank reconciliations be reviewed by the Director of the District for accuracy.

Response: A monthly process of reconciling the bank statements to the general ledger will be developed immediately, as well as the review of the bank reconciliation by the Director of the District.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended October 31, 2002

**Section II. Financial Statement Findings (continued)**

**2002-3 Reconciliation of patient charges, payments and adjustments between accounts receivable software and accounting software**

**Finding:** During the course of our audit, we noted there was no reconciliation of charges, payments or adjustments between the Ambulance District's patient accounts receivable software and the Ambulance District's accounting software.

**Recommendation:** We recommend that the Ambulance District reconcile, on a monthly basis, the charges, payments and adjustments between the Ambulance District's accounts receivable software and the accounting software in order to have an accurate detail accounts receivable.

**Response:** Procedures will be implemented, on a monthly basis, to reconcile all charges, payments and adjustments between the Ambulance District's patient accounts receivable software and the accounting software.

**2002-4 Board authorized payment for services not performed**

**Finding:** During the course of last year's audit, we noted a matter concerning a payment of \$3,237, to an employee for services not actually rendered, which is in violation of Article VII, Section 14(A) of the Louisiana Constitution of 1974. As of this audit report date, we noted there was no reimbursement to the Ambulance District by the former employee to compensate for this payment. The Ambulance District along with the Cameron Parish District Attorney, issued a letter of request for repayment of the \$3,237 to the former employee. The former employee has proposed to compensate the Ambulance District for this payment by offering his services as a maintenance/carpenter.

**Recommendation:** We recommend that the District obtain legal counsel to help them determine the correct measures to take, in accordance with Louisiana law, to recoup the \$3,237 from the former employee. If the Ambulance District is unable to obtain the repayment from the former employee, the Ambulance District will have to seek restitution from all commissioners that authorized the improper payment.

**Response:** As recommended, the Ambulance District will obtain legal council to help determine the correct measures to take, in order to resolve this matter in accordance with Louisiana Law.

**2002-5 Segregation of Duties**

**Finding:** The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

**Response:** Due to small size of the administrative staff, complete segregation of duties is not possible. However, the Ambulance District will continue to monitor the situation.

**Section III. Internal Control and Compliance Material to the Federal Awards**

This year's report does not include any federal awards.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended October 31, 2002

**Section I. Internal Control and Compliance Material to the Financial Statements**

**2001-1 Publication of minutes**

Finding: The minutes of the Board were not published in the official journal of the Ambulance District as required by R.S. 43:171.

Recommendation: The minutes of the Board should be published in the official journal of the Ambulance District as required by R.S. 43:171.

Current status: RESOLVED - The Ambulance District has implemented a policy of publishing minutes in the official journal of the District.

**2001-2 Approval of discounts and changes to charge slips**

Finding: In the course of our audit, we noted during the beginning of the fiscal year, certain patient discounts in accounts receivable and changes made to items on charge slips were not approved by management.

Recommendation: We recommend that discounts and write-offs on accounts receivable balances be approved by management to ensure adequate internal controls over accounts receivable. We also recommend that any changes to the charge slips, are to be changed by the ambulance personnel writing up the charge slip and then approved by the Ambulance Director.

Current status: RESOLVED - During the course of the year, procedures were implemented in order for any discounts and write-offs of accounts receivable to be approved by management and for changes to charge slips be approved by management.

**2001-3 Signing of checks**

Finding: During the course of our audit, we noted instances where accounts payable checks over one thousand dollars were only signed by the Ambulance Director. According to Board policy, at the time, only accounts payable checks for one thousand dollars or less could be signed by the Ambulance Director.

Recommendation: We recommend that the Ambulance Director and one Board member sign all checks written by the Ambulance District.

Current status: RESOLVED - Procedures were implemented in order to have the Ambulance Director and one Board member to sign all checks.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)  
Year Ended October 31, 2002

**Section I. Internal Control and Compliance Material to the Financial Statements (Continued)**

**2001-4     Payment for services not performed**

**Finding:** During the course of our audit, we noted a matter concerning a payment of \$3,237, to a former employee for services not actually rendered by the former employee, which is in violation of Article VII, Section 14(A) of the Louisiana Constitution of 1974.

**Recommendation:** We recommend the Ambulance District comply with Article VII, Section 14(A) of the Louisiana Constitution by paying employees only for services actually rendered.

**Current status:** NOT RESOLVED – In the current year, the Board of Commissioners, with the assistance of the District Attorney of Cameron Parish, sent a letter of request for repayment to the former employee who received payment for services not performed. As of this audit report date, the amount of \$3,237 has not been reimbursed to the Ambulance District. The former employee has proposed to compensate the Hospital District for this payment by offering his services as a maintenance/carpenter. This finding is also included in the audit report for the year ended October 31, 2002, and described in 2002-4.

**2001-5     Segregation of Duties**

**Finding:** The Ambulance District does not have adequate segregation of duties... A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

**Current status:** NOT RESOLVED – The Ambulance District has continued to try to monitor the problem with segregation of duties, but due to the small size of the administrative staff, complete segregation of duties is not possible. This finding is also included in the audit report for the year ended October 31, 2002, and described in 2002-5.

**Section II. Internal Control and Compliance Material to the Federal Awards**

Not applicable.

**Section III. Management Letter**

**2001-6     Accounts receivable**

**Finding:** We noted that the accounts receivable aging report is not being analyzed on a monthly basis in order to identify accounts that need to be adjusted, re-billed or written-off. This has caused the accounts receivable aging category of greater than 120 days to increase.

**Recommendation:** We recommend that the accounts receivable aging report be analyzed on a monthly basis to determine accounts that need follow-up. By increasing collection efforts, the accounts receivable category greater than 120 days can be decreased.

**Current status:** RESOLVED – The Ambulance District has implemented a process by which personnel analyze, on a monthly basis, the accounts receivable aging report. The Ambulance District has also obtained the services of a collection agency to help in the collection of older accounts receivable balances.

LOWER CAMERON AMBULANCE SERVICE DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)  
Year Ended October 31, 2002

**Section III. Management Letter (Continued)**

2001-7    Billing of patient claims

Finding: During the course of our audit, we noted that subsequent to year-end, patient claims were being submitted under another ambulance provider number.

Recommendation: We recommend that any other ambulance provider numbers in the patient accounting system be eliminated, in order to prevent billing under any other ambulance provider number in the future.

Current status: RESOLVED – Management has removed all other ambulance provider numbers in the patient accounting system. By removing the other ambulance provider numbers, the District has removed the possibility of billing the incorrect ambulance provider number.



## BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

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Ferrel P. Dressel, CPA\*

*Retired:*

Sidney L. Broussard, CPA 1980

Leon K. Poche, CPA 1984

James H. Breaux, CPA 1987

Erma R. Walton, CPA 1988

George A. Lewis, CPA\* 1992

Geraldine J. Wimberley, CPA\* 1995

Rodney L. Savoy, CPA\* 1996

Larry G. Broussard, CPA\* 1996

Lawrence A. Cramer, CPA\* 1999

Michael P. Crochet, CPA\* 1999

Ralph Friend, CPA 2002

To the Board of Commissioners  
and Management  
Lower Cameron Ambulance Service District  
Creole, Louisiana

We have audited the general purpose financial statements of Lower Cameron Ambulance Service District as of and for the year ended October 31, 2002, and have issued our report thereon dated March 20, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the general purpose financial statements, dated March 20, 2003 and our report on internal control and compliance with laws, regulations, and contracts, dated March 20, 2003.

During the course of our examination, we became aware of the following matters which represent suggestions for improved internal controls.

2002-6      Payroll Tax Reports

We noted that the payroll tax reports filed for calendar year 2002 did not reconcile with the general ledger payroll records, requiring the need to amend various payroll tax reports.

We recommend that the Ambulance District reconcile on a quarterly basis all payroll tax reports to the general ledger payroll records.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendation.

*Broussard, Poche, Lewis & Breaux, L.L.P.*

Crowley, Louisiana  
March 20, 2003





*Lower Cameron Ambulance Service District*

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Tel. 337-542-4926 Fax 337-542-4924  
**lcad@camtel.net**

April 30, 2003

Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Lower Cameron Ambulance Service District respectfully submits the following corrective action plan for the year ended October 31, 2002.

Name and address of independent public accounting firm:

Broussard, Poche', Lewis & Breaux, L.L.P.  
Certified Public Accountants  
P.O. Drawer 307  
Crowley, Louisiana 70527

Audit Period: November 1, 2001 through October 31, 2002.

The findings from the 2002 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

**Section II: Financial Statement Findings**

**2002-1 Investment in variable annuity**

Recommendation: We recommend that the Ambulance District investment its monies in securities covered under R.S. 33:2955.

Action taken: The Ambulance District has withdrawn its monies from the variable annuity and has deposited the monies into investments covered under R.S. 33:2955. In the future, the Ambulance District will deposit funds into obligations allowed under R.S. 33:2955.

Responsible party: Byron Broussard, Director

**2002-2 Monthly reconciliation of bank statements**

Recommendation: We recommend that bank statements be reconciled to the general ledger on a monthly basis in order to detect differences between the general ledger and the bank statement. It is also recommended that the bank reconciliations be reviewed by the Director of the District for accuracy.

Action taken: A monthly process of reconciling the bank statements to the general ledger will be developed immediately, as well as the review of the bank reconciliation by the Director of the District.

Responsible party: Byron Broussard, Director

**2002-3 Reconciliation of patient charges, payments and adjustments between accounts receivable software and accounting software**

**Recommendation:** We recommend that the Ambulance District reconcile, on a monthly basis, the charges, payments and adjustments between the Ambulance District's accounts receivable software and the accounting software in order to have an accurate detail accounts receivable.

**Action taken:** Procedures will be implemented, on a monthly basis, to reconcile all charges, payments and adjustments between the Ambulance District's patient accounts receivable software and the accounting software.

**Responsible party:** Byron Broussard, Director

**2002-4 Board authorized payment for services not performed**

**Recommendation:** We recommend that the District obtain legal counsel to help them determine the correct measures to take, in accordance with Louisiana law, to recoup the \$3,237 from the former employee. If the Ambulance District is unable to obtain the repayment from the former employee, the Ambulance District will have to seek restitution from all commissioners that authorized the improper payment.

**Response:** As recommended, the Ambulance District will obtain legal council to help determine the correct measures to take, in order to resolve this matter in accordance with Louisiana Law.

**Responsible party:** Byron Broussard, Director

**2002-5 Segregation of Duties**

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

**Response:** Due to small size of the administrative staff, complete segregation of duties is not possible. However, the District will continue to monitor the situation.

**Responsible party:** Byron Broussard, Director

**Section III: Management Letter**

**2002-5 Payroll Tax Reports**

**Recommendation:** We recommend that the Ambulance District reconcile, on a quarterly basis, all payroll tax reports to the general ledger payroll records.

**Response:** The Ambulance District will implement a process of reconciling quarterly tax reports to the general ledger payroll records.

**Responsible party:** Byron Broussard, Director